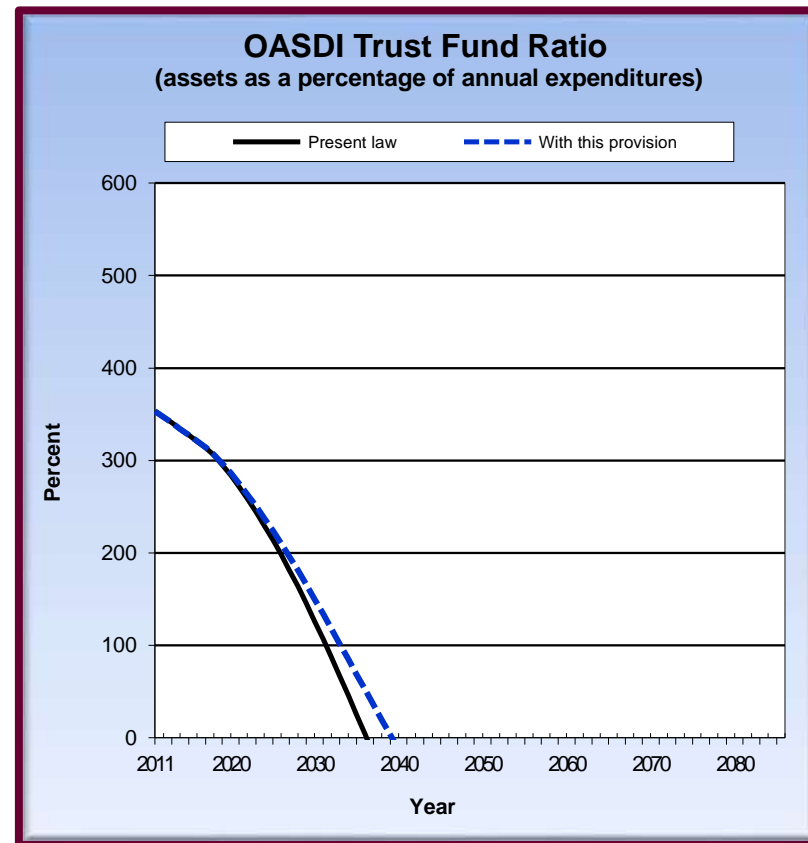
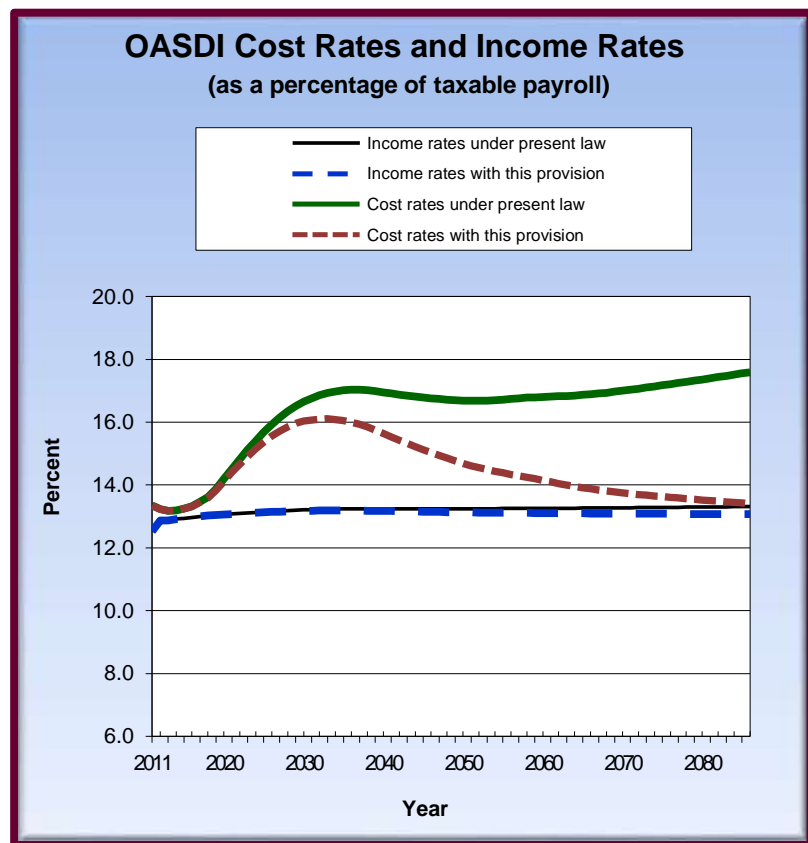


Summary Measures and Graphs

Category of Change: Level of Monthly Benefits

Proposed Provision: Progressive price indexing (30th percentile) of PIA formula factors beginning with individuals newly eligible for OASI benefits in 2015: Create a new bend point at the 30th percentile of the AIME distribution of newly retired workers. Maintain current-law benefits for earners at the 30th percentile and below. Reduce the 32 and 15 percent formula factors above the 30th percentile such that the initial benefit for a worker with AIME equal to the taxable maximum grows by inflation rather than the growth in average wages. Young survivors (children and spouses under normal retirement age with a child in care) are not affected by this proposal. Disabled workers are: (a) not affected prior to normal retirement age; and (b) subject to a proportional reduction in benefits, based on the worker's years of disability, upon conversion to retired worker beneficiary status.

Present Law		Change From Present Law in		Results with this provision	
Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year
-2.22%	-4.24%	1.49%	3.89%	-0.74%	-0.35%



Estimates based on the intermediate assumptions of the 2011 Trustees Report

Office of the Chief Actuary, Social Security
September 5, 2012